

**MANAGEMENT REPORT AS OF 30 APRIL 2023**

**A. DESCRIPTION OF BUSINESS**

Asia-Pacific Medical Center Bacolod, Inc. (formerly known as Allied Care Experts Medical Center – Bacolod Inc.) is a stock corporation duly organized and registered under the laws of the Republic of the Philippines and granted corporate existence by the Securities and Exchange Commission on 04 July 2017.

The company was established to maintain, operate, own, and manage hospitals, medical and related healthcare facilities and businesses such as, but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo hospitals, scientific research and other allied undertakings and services which shall provide medical, dental, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical or dental services shall be performed by duly qualified physicians or dentists who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

To support the construction of its first project, the company applied for a secondary license for the issuance of securities. It was issued its Permit to Offer Securities on 28 March 2022 thru SEC MSRD Order No. 27 Series of 2022.

As of March 31, 2023, the total percentage of completion of the construction of the multi-disciplinary hospital constructed by the Company is 32.011%.

It is the mission of Asia-Pacific Medical Center Bacolod, Inc. to set up a Level 2 Health Care facility with an organized, systematic, cost-effective, sympathetic and holistic approach to its goal in providing the best quality and justifiable medical and dental services to its clients and stakeholders.

Initially, the company upon construction will operate as a Secondary Hospital. After which, it will secure accreditation for residency training of its doctors and accomplish its purpose of setting up a Tertiary Hospital. It will operate a complete and world-class facility, manned by medical specialists who are competent and fully qualified in their line of work, and have equally efficient well motivated employees and management staff.

Asia-Pacific Medical Center Bacolod, Inc. will be a 7-storey 248-bed capacity hospital with 1 basement parking area with total floor area of 39,614.51 sq.m. constructed in a 10,000 sq.m. property located at Lacson St., Brgy. Bata, Bacolod City, Negros Occidental. It will provide services to residents of Bacolod City, nearby Barangays and Municipalities, the whole of Negros and the neighboring provinces which are considered its catchment areas. APMC Bacolod will be a multidisciplinary facility that will house medical and dental specialists who are subscribers to the capital stock of the Corporation. The intended and considered markets for its shares are mostly specialists and individuals who are related to these specialists.

The issuer belongs to the industry which caters to the need of the public and medical, surgical and dental specialist for hospital facilities. There are no recognized trends within such an industry. The geographic area of competition is in Bacolod City wherein the following Hospitals are operating: Riverside Medical Center, Bacolod Adventist Medical Center, The Doctors' Hospital Inc., Corazon Locsin Montelibano Memorial Regional Hospital, South Bacolod General Hospital, Metro Bacolod Hospital Medical Center, and Bacolod Queen of Mercy Hospital.

<b>NAME OF HOSPITAL</b>	<b>ADDRESS</b>	<b>BED CAPACITY</b>	<b>CATEGORY</b>	<b>LEVEL OF CLASSIFICATION</b>
Riverside Medical Center Inc.	B.S. Aquino Drive Bacolod City, 6100 Philippines	300	Private	3
Bacolod Adventist Medical Center	C.V. Ramos St, Barangay Taculing, Bacolod, 6100 Negros Occidental	170	Private	3
The Doctors' Hospital Inc.	B.S. Aquino Drive, Bacolod, 6100 Negros Occidental	169	Private	3
Corazon Lacson Montelibano Memorial Regional Hospital	Lacson St, Bacolod, 6100 Negros Occidental	1000	Public	3
South Bacolod General Hospital	Araneta Ave, Bacolod, Negros Occidental	100	Private	2
Metro Bacolod Hospital Medical Center	Burgos St, Bacolod, 6100 Negros Occidental	110	Private	2
Bacolod Queen of Mercy Hospital	Eroreco, Mandalagan, Bacolod City, 6100 Negros Occidental	200	Private	2

The strategic location of Asia-Pacific Medical Center Bacolod, Inc. primarily influences the decision of the medical, surgical and dental specialists to subscribe to the shares of stock in Asia –Pacific Medical Center Bacolod, Inc. Once the physician or dentist decides where to

practice, price and quality of facility management come as the next factors. Good location, proximity to patients, reasonableness of the offer price and quality of the facilities enable the company to effectively compete with its competitors within the area.

The company is primarily owned and managed by doctor specialists who have established medical practice in the locality. This unique set up is a strong strategic factor of the hospital since each doctor-owner has established patient following in their respective fields. Furthermore, the roster of local medical practitioners who have signified their commitment to the hospital is very significant.

The company places itself as a center for Clinical Competence and Patient Safety. Among its flagship plans, will be the creation of a High-Risk Pregnancy and Infertility Center, Wellness and Aesthetic Center, Eye Center, Oncology Center and Transfusion Unit, Cardiovascular and Pulmonary Center, Kidney Transplant Center and among other services, the hospital is preparing to build a Neuro-laboratory and Nutrition and Dietetics.

The hospital will also offer both preventive and medical treatment packages at a very competitive cost, if not lesser than the nearby hospital facilities, without compromising the quality of healthcare service it delivers to its patients. The hospital will also make sure that by following the policies of the Credentials and Privileging Committee, the medical staff of the company are clinically competent and certified specialists.

### **Suppliers and Major Contractors**

APMCBI has entered into supply contracts with INOVADIS Inc. for deformed steel bars and PEB Steel Buildings Co., Ltd. for pre-engineered steel. Purchase and Supply Agreement with Prime Powers Industrial Electric Corporation for the supply of electrical materials and provider of installation services.

APMCBI also has executed Service Contract with the following providers: UNITAN Construction & Development Corporation as the General Contractor and for the basic architectural works and MEPFS; DND Atelier Inc. for Architectural Design, Interior Design, and MEPFS Bid Management however, the contract between the company and DND Atelier Inc. for the Architectural Design was terminated in 2022 and they were replaced by a new team; Bureau Veritas S.A. as the Project Management Team and for Quantity Surveyor and project planning assistance; Silver Dragon Construction for the regular bored piling works; Domber Security Agency, Inc. for the security manpower; Sophils General Merchandise (Pure 03 Philippines) for the Sewage Treatment Plant Design, Supply and Construction and Jardine Schindler Elevator Corporation for the design, manufacture, delivery and installation of elevators.

Within a few months from the commencement of its operations, there are a number of reputable manufacturers and distributors of hospital equipment, medicines and medical supplies abroad and in the country that APMCBI may source its supplies depending on its needs.

### **Transactions with and/or Dependence on Related Parties**

The company has entered into a Memorandum of Agreement for the granting of discounts to its stockholders with Asia Pacific Medical Center- Iloilo Inc. and Asia Pacific Medical Center Aklan Inc.

The availability of the discounts and other privileges is subject to the internal policy of the aforementioned hospitals without prejudice to the financial position of the referral hospital.

The company is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the company's financial performance.

### **Legal Proceedings**

The company is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the company's financial performance.

## **B. SECURITIES OF THE REGISTRANT**

### **Market Price**

The company markets and offers the securities through hospital employees who are well versed with Hospital operations who have been designated as salesmen. These organic employees are well aware of the mission and vision of the hospital and are accustomed with hospital operations. Management believes that the strategic location of the hospital, the facilities and the services it will provide, and the people behind the hospital, are sufficient to entice medical and dental specialists and prospective investors to consider the offer. APMC Bacolod, Inc. will greatly rely on these organic salesmen and satisfied patients to spread the word about the facilities the hospital can offer.

Asia-Pacific Medical Center Bacolod, Inc. (formerly known as Allied Care Experts Medical Center – Bacolod Inc.) is offering 3,600 blocks of common shares in tranches, through a series of offerings at an offer price in progressive amounts.

The staggered Offer Price per series of shares for sale to the public was arrived at by considering several factors including but not limited to: the timing of purchase relative to the completion of the Hospital and its facilities, the number of applicants the Hospital could serve and accommodate, the total development costs based on cost assessments of the engineers, architects and other professionals hired for the project, comparable price of similarly situated structure with similar facilities, market demand, risk undertaken by the original stockholders, the exclusive and premium nature of the Hospital and its intended patients and the acceptability of the pricing strategy to the current market.

The breakdown of the Offer Price is presented as follows:

Series of Common Shares	Number of Blocks	Maximum Proposed Selling Price per Block
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1 <sup>st</sup>	2,400 Blocks	₱250,000 per block
2 <sup>nd</sup>	800 Blocks	₱300,000 per block
3 <sup>rd</sup>	400 Blocks	₱400,000 per block

Six Hundred Sixty-Six (666) blocks of the first series had been sold at the price of Php 250,000.00 per block as of 30 April 2023. The second series of Eight Hundred (800) blocks and the third series of Four Hundred (400) blocks will be sold thereafter. The offered shares are not listed in the Exchange and are issued over the counter only through the Company's employees, acting as sales persons as reflected in its Registration Statement.

### Holders

There are approximately Thirty-Five (35) holders of Founder Shares and Six Hundred Twenty-Two (622) holders of Common Shares of the company as of 30 April 2023.

Dr. Ferjenel G. Biron is the only record and/or beneficial owner of more than 5% of any class of registrant's voting securities as of 30 April 2023.

Class	Names / Address of Record Owner	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding Shares
<b>Common Founder</b>	Biron, Ferjenel G. /82 Firefly cor. Butterfly St., Valle Verde VI, Pasig City	Biron, Ferjenel G. / Record Owner is also Beneficial Owner	Filipino	66,184 128	<b>31.48%</b>

The following founders are the top 20 stockholders of record and/or beneficial owners as of 30 April 2023:

Class	Names / Address of Record Owner	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	Number of Shares Held	% to Total Outstanding Shares
<b>Common Founder</b>	Biron, Ferjenel G. /82 Firefly cor. Butterfly St., Valle Verde VI, Pasig City	Biron, Ferjenel G. / Record Owner is also Beneficial Owner	Filipino	66,184 128	<b>31.48%</b>

<b>Common Founder</b>	Regozo, Danilo C. / 185A Brgy. Bonifacio Tanza, Iloilo City	Regozo, Danilo C. / Record Owner is also Beneficial Owner	Filipino	5,986  20	<b>2.85%</b>
<b>Common Founder</b>	Lavalle, Amado Jr. M. / Lot 8, Block 8, Banker's Village, Tabuc Suba, Jaro, Iloilo	Lavalle, Amado Jr. M. / Record Owner is also Beneficial Owner	Filipino	4,984  20	<b>2.38%</b>
<b>Common Founder</b>	Magbanua, Ma. Leila M. /Blk. 6, Lot 5 & 7, Via Roma St., Las Villas Subd., Bacolod City	Magbanua, Ma. Leila M. / Record Owner is also Beneficial Owner	Filipino	4,917  16	<b>2.34%</b>
<b>Common Founder</b>	Magallanes, Bel Manuel G. / B2, L2, Thames St., Golden River Subd., Brgy. Taculing, Bacolod City	Magallanes, Bel Manuel G. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Malata, Ma. Ivy V. / Cluster 1, Block 46 Lot 1, Providence Negros, Brgy. Granada, Bacolod City	Malata, Ma. Ivy V. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Pabicon, Olga H. / 102 Barcelona – Sevilla St., Ayala North Point, Talisay City	Pabicon, Olga H. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Pacete, Jimmy B. / 5 Moonstone St., City Heights Subd., Bacolod City	Pacete, Jimmy B. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Pedroza, David G. / #61 Saint Jude Avenue Doña Juliana Hts., Bacolod City	Pedroza, David G. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>

<b>Common Founder</b>	Tad-y, May Claire R. / #8 Geocadin St., (R. Panisa St.) Prk. Kahirum, Brgy. Mansilingan, Bacolod City	Tad-y, May Claire R. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Rodrigo, Sherwin Lowe B. / Lot 11, Block 28, Corner Yang Tee – Rio Grande Sts., Riverwalk Subd., Brgy. Vista Alegre, Bacolod City	Rodrigo, Sherwin Lowe B. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Balinas, Rhona T. / B19, L1, Plantazionne Verdana Homes, Brgy. Zone 15, Talisay City	Balinas, Rhona T. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Achurra, Alexander Kent T. / Unit 12A, 12 th Lacson St., Bermuda Villa Santiago Condominiums, Barangay 7, Bacolod City, Negros Occidental 6100	Achurra, Alexander Kent T. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Villanueva, Maria Teresa D. / 2992 Gloria St., Hervias Subd., Bacolod City	Villanueva, Maria Teresa D. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>
<b>Common Founder</b>	Espinosa, Wendell Z. /Block 5, Lot 21, Java St., Verdana Homes – Asyana, Brgy. Zone 15, Talisay City	Espinosa, Wendell Z. / Record Owner is also Beneficial Owner	Filipino	4,917  14	<b>2.34%</b>

<b>Common Founder</b>	Galve, Gregorio L. / Lot 1, Blk. 4, Phase II, San Esteban Village, Brgy. Lag-Asan, Bago City	Galve, Gregorio L. / Record Owner is also Beneficial Owner	Filipino	4,917 14	<b>2.34%</b>
<b>Common Founder</b>	Gebusion, Anthony C. / Lot 10, Block 10, JJA Roma St., Las Villas Hervias Subd., Brgy. Villamonte, Bacolod City	Gebusion, Anthony C. / Record Owner is also Beneficial Owner	Filipino	4,917 14	<b>2.34%</b>
<b>Common Founder</b>	Germinal, Rodolfo Jr. F. / Block 1, Lot 2, Venus Street, Puentebella Subd. Bacolod City	Germinal, Rodolfo Jr. F. / Record Owner is also Beneficial Owner	Filipino	4,917 14	<b>2.34%</b>
<b>Common Founder</b>	Jalea, Ruel U./ KM 14 Calumangan, Bago City, Negros Occidental 6101	Jalea, Ruel U. / Record Owner is also Beneficial Owner	Filipino	4,917 14	<b>2.34%</b>
<b>Common Founder</b>	Jesena, Salve Regina S. / Blk. 28, Lot 10, Josefina St., Eroreco Subd., Brgy. Mandalagan, Bacolod City	Jesena, Salve Regina S. / Record Owner is also Beneficial Owner	Filipino	4,917 14	<b>2.34%</b>

The company is not yet operating its hospital hence there is no unrestricted retained earnings that could be used for dividends.

#### **RECENT SALE OF UNREGISTERED OR EXEMPT SECURITIES**

There is no recent sale of unregistered or exempt securities as all of the Two Hundred Forty Thousand Shares (240,000) of the Company are registered securities.



## **C. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A) or PLAN OF OPERATION AS OF 30 APRIL 2023**

### **Plan of Operation**

Hospital construction is targeted to be complete in the second quarter of 2024 and hospital operation is set to start anytime during the third quarter of 2025.

The company has had no revenue in the past four fiscal years because it is still in the construction phase. There were construction and engineering modifications done in the design plans of the building for pandemic preparedness and to provide more ideal services once it will be operational. The construction may have slowed down, but it has never totally stopped.

Financial requirements of the corporation during the next twelve (12) months are allocated mostly on the construction of the hospital building. The expected months that the registrant could satisfy its current cash requirements is four (4) months due to the escalation of construction expenses.

Current financial position depends on the infusion of capital from the remaining shares of the Initial Public Offering and the loan from the Development Bank of the Philippines. With the increasing demands especially that completion target has been set, the corporation must maximize all means to market and sell offered shares to the public. Aside from the active selling of shares, the Company will use social media to encourage the public to invest in the hospital without prejudice to compliance with the provisions of the Securities and Exchange Commission regarding the marketing of the said shares. Payment of unpaid subscription by the stockholders was also called for to augment the cash position of the corporation.

The Company has secured three (3) term loans from the Development Bank of the Philippines on August 11, 2021. The total principal amount is One Billion Six Hundred Eighty-Eight Million Eight Hundred Thousand Pesos (P 1,688,800,000.00).

The first loan is a 13-year term loan of One Billion One Hundred Eighty-Eight Million Eight Hundred Thousand Pesos (P1,188,800,000.00) for the construction of the Main Hospital Building and its foundation.

The second loan is a 5-year term loan of One Hundred Forty-Six Million Pesos (P 146,000,000.00) for the acquisition of medical instruments, furniture and appliances.

The third is an Omnibus Facility to be available via (1) 10-year term loan with sublimit of Three Hundred Fifty-Four Million Pesos (P 354,000,000.00) and (2) Import and/or Domestic Letter of Credit via Sight for Usance to be drawn from the proposed 10-year term loan. The intended use of this loan is for acquisition of equipment.

There is an expected change in the number of significant employees in the next twelve (12) months. Two (2) administrative assistants will be hired by the company since there is an increase in the number of clerical tasks and responsibilities due to the construction of the hospital building and to serve the investors of the company better.

The Company has no expected product research and development to perform in the next twelve (12) months of operation. There is no action to be taken with respect to the purchase or sale of plant and significant equipment. There is also no action to be taken with respect to any transaction involving the following:

- (1) the merger or consolidation of the company into or with any person or of any other person into or with the company;
- (2) the acquisition by the company or any of its security holders of securities of another person;
- (3) the acquisition by the registrant of any other going business or of the assets thereof;
- (4) the sale or other transfer of all or any substantial part of the assets of the company;
- (5) the liquidation or dissolution of the company;

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OR PLAN OF OPERATION

Results of Operations (March 31, 2023 vs. March 31, 2022)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	March 31, 2023	March 31, 2022	Inc. (Dec)	%	2022	2021
Revenue						
Direct Costs						
Gross Profit						
Other Income	62,857.00	3,175.00	59,682.00	1880%	n/a	n/a
Gross Income	62,857.00	3,175.00	59,682.00	1880%	n/a	n/a
General and administrative expenses	-6,442,372.00	-1,687,781.00	-4,754,591.00	282%	n/a	n/a
Loss from operations	-6,379,515.00	-1,684,606.00	-4,694,909.00	279%	n/a	n/a
Income tax expense						
Net loss for the period	-6,379,515.00	-1,684,606.00	-4,694,909.00	279%	n/a	n/a
Add (deduct) comp income (loss)						
Net comprehensive loss for the period	-6,379,515.00	-1,684,606.00	-4,694,909.00	279%	n/a	n/a

#### *Other Income*

Other income during the period March 31, 2023 is higher than March 31, 2022 by 1880%. The increase is due to the time deposit account of the company which matures monthly and yields big interests.

### General and administrative expenses

A 282% increase in the current general and administrative expenses was recorded on March 31, 2023. The notable increase was because of the executive compensation of directors, Php 2,025,000.00 and their per diems, Php 1,915,218.00.

### Loss for the Period

Loss for the period March 31, 2023 is higher than in the same period on March 31, 2022 by 279%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

### Financial Condition (March 31, 2023 vs. December 31, 2022)

	March 31, 2023	December 31, 2022	Horizontal Analysis		Vertical Analysis	
			Inc. (Dec)	%	2023	2022
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	68,219,705.00	89,957,922.00	- 21,738,217.00	-24%	8%	11%
Advances to a related party	189,867.00	622,067.00	- 432,200.00	-69%	0%	0%
Advances to Contractors	33,138,211.00	32,788,211.00	350,000.00	1%	4%	4%
Input VAT	28,080,504.00	25,219,111.00	2,861,393.00	11%	3%	3%
Other current assets	732,776.00	1,182,014.00	- 449,238.00	-38%	0%	0%
	130,361,063.00	149,769,325.00	- 19,408,262.00	-13%	16%	19%
<b>Noncurrent Assets</b>			-			
Property, Plant and Equipment (net)	699,611,697.00	652,810,597.00	46,801,100.00	7%	84%	81%
Security Deposit	45,466.00	45,466.00	-	0%	0%	0%
	699,657,163.00	652,856,063.00	46,801,100.00	7%	84%	81%
<b>Total Assets</b>	<b>830,018,226.00</b>	<b>802,625,388.00</b>	<b>27,392,838.00</b>	<b>3%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
Trade and other payables	38,927,636.00	30,960,703.00	7,966,933.00	26%	5%	4%
Retention Payable	43,936,332.00	43,936,332.00	-	0%	5%	5%
Income tax payable	49.00	49.00	-	0%	0%	0%
Advances to Shareholders	142,205,004.00	165,624,718.00	- 23,419,714.00	-14%	17%	21%
	225,069,021.00	240,521,802.00	- 15,452,781.00	-6%	27%	30%
<b>Noncurrent Liability</b>						
Loans Payable	356,640,000.00	356,640,000.00	-	0%	43%	44%
<b>Total Liabilities</b>	<b>581,709,021.00</b>	<b>597,161,802.00</b>	<b>- 15,452,781.00</b>	<b>-3%</b>	<b>70%</b>	<b>74%</b>
<b>Equity</b>						
Share Capital	210,660,000.00	189,994,866.00	20,665,134.00	11%	25%	24%
Additional Paid in Capital	102,920,000.00	74,360,000.00	28,560,000.00	38%	12%	9%
Deficit	- 65,270,795.00	- 58,891,280.00	- 6,379,515.00	11%	-8%	-7%
	248,309,205.00	205,463,586.00	42,845,619.00	21%	30%	26%
<b>Total Liabilities and Equity</b>	<b>830,018,226.00</b>	<b>802,625,388.00</b>	<b>27,392,838.00</b>	<b>3%</b>	<b>100%</b>	<b>100%</b>

### Total Assets

Total assets increased from P802.6 million to 830 million, a 3% increase from December 31, 2022 to March 31, 2023. The increase was primarily due to the increase in property, plant, and equipment.

#### *Cash and cash equivalents*

Cash was mostly allocated to the construction expenses of the company and due to the increase in expenses, Cash and cash equivalents decreased by P21.7 million or -24%.

#### *Advances to a related party*

The advances to a related party decreased by P432,200.00 (69%) from P622,067.00 on December 31, 2022. This represents the payable of Asia-Pacific Medical Center Iloilo to Asia-Pacific Medical Center Bacolod for the salary of the past Construction Manager. In early 2023, APMC Iloilo paid a balance of P432,200.00 to APMC Bacolod. The balance is currently P189,867.00 as of March 31, 2023.

#### *Advances to Contractors*

The advances to contractors increased by P350,000.00 or 1% from December 31, 2022 to March 31, 2023. The amount in 2022 is the remaining recoupment from the down payment of the contractors.

#### *Input VAT*

The input VAT increased by P2.8 million (11%) from P25.2 million on December 31, 2022 to P28.0 million on March 31, 2023. This is the result of large amounts from progress billings of contractors and other construction expenses that yielded larger VAT.

#### *Other current assets*

A decrease in the other current assets by -38% from the period December 31, 2022 to the current period of March 31, 2023. This includes prepaid marketing of P373,333.00, prepaid tax of P241,680, prepaid rent of P110,763.00, and others for P7,000.00.

#### *Property, Plant, and Equipment*

The property, plant, and equipment account increased by 7% from P652.8 million on December 31, 2022 to P699.6 million on March 31, 2023 because there were more construction expenses during the year. Property, Plant, and Equipment includes Land amounting to P80,202,502.00, office equipment amounting to P689,520.00, and Construction in Progress amounting to P619,025,584.00.

#### **Total Liabilities**

The total liabilities decreased by -3% for the period March 31, 2022 due to the availability of loan, increase in the trade and other payables and the retention payable.

#### *Trade and other payables*

Trade and other payables increased by 26% or P7.9 million from December 31, 2022 to March 31, 2023. The increase was a result of the compensation and per diems of the directors. These are short-term, unsecured, noninterest-bearing payable to other parties.

*Retention Payable*

Retention payable remained the same from December 31, 2022 to March 31, 2023.

*Income Tax Payable*

In 2023, the company has unpaid income tax.

*Advances to Shareholders*

A decrease in the advances to shareholders by P23.6 million or 14% from December 31, 2022 to March 31, 2023 was recorded since the company started to pay off the founding doctors for the amounts they were owed.

*Loans Payable*

In 2022, the first tranche of the loan was released to APMC Bacolod in the amount of P365.6 million.

**Equity**

There is an increase in the total equity of the company from December 31, 2022 to March 31, 2023. The increase amounted to P43 million or 21% of the previous year.

There is an increase of P22 million or 12% of the previous year in the share capital from P189.9 million on December 31, 2022 to P210.6 million on March 31, 2023. The company has started to sell its Initial Public Offering (IPO) last March 28, 2022. In addition, the total Share Capital consists of P204,000,000.00 from the shares of the Company's Founders and P6,660,000.00 from the public shareholders of the Company.

Results of Operations (December 31, 2022 vs. December 31, 2021)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	December 31, 2022	December 31, 2021	Inc. (Dec)	%	2022	2021
Revenue					n/a	n/a
Direct Costs					n/a	n/a
Gross Profit					n/a	n/a
Other Income	104,300.00	514,903.00	(410,603.00)	(80%)	n/a	n/a
Gross Income	104,300.00	514,903.00	(410,603.00)	(80%)	n/a	n/a
General and administrative expenses	(32,495,898.00)	(7,326,232.00)	(25,169,666.00)	344%	n/a	n/a

Loss from operations	(32,391,598.00)	(6,811,329.00)	(25,580,269.00)	376%	n/a	n/a
Income tax expense	(49.00)	(1,808.00)	1,759.00	(97%)	n/a	n/a
Net loss for the period	(32,391,647.00)	(6,813,137.00)	(25,578,510.00)	375%	n/a	n/a
Add (deduct) comp income (loss)					n/a	n/a
Net comprehensive loss for the period	(32,391,647.00)	(6,813,137.00)	(25,578,510.00)	375%	n/a	n/a

#### *Other Income*

Other income during the period December 31, 2022 is lower than December 31, 2021 by 80%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates in 2021.

#### *General and Administrative Expenses*

General and administrative expenses during December 31, 2022 is higher than December 31, 2021 by 344%. This is due to the increase in the executive compensation and per diems of directors.

#### *Loss for the Period*

Loss for the period December 31, 2022 is higher than in the same period on December 31, 2021 by 375%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

#### Financial Condition (December 31, 2022 and December 31, 2021)

			Horizontal Analysis		Vertical Analysis	
	December 31, 2022	December 31, 2021	Inc. (Dec)	%	2022	2021
ASSETS						

Current Assets						
Cash and cash equivalents	89,957,922.00	22,326,536.00	67,631,386.00	303%	11%	6%
Advances to a related party	622,067.00	164,867.00	457,200.00	277%	0%	0%
Advances to Contractors	32,788,211.00	55,941,787.00	(23,153,576.00)	(41%)	4%	15%
Input VAT	25,219,111.00	13,750,537.00	11,468,574.00	83%	3%	4%
Other current assets	1,182,014.00	364,619.00	817,395.00	224%	0%	0%
	149,769,325.00	92,548,346.00	57,220,979.00	62%	19%	25%
Noncurrent Assets						
Property, Plant and Equipment (net)	652,810,597.00	284,645,878.00	368,164,719.00	129%	81%	75%
Security Deposit	45,466.00	45,466.00	-	0%	0%	0%
	652,856,063.00	284,691,344.00	368,164,719.00	129%	81%	75%
<b>Total Assets</b>	<b>802,625,388.00</b>	<b>377,239,690.00</b>	<b>425,385,698.00</b>	<b>113%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
Trade and other payables	30,960,703.00	14,694,720.00	16,265,983.00	111%	4%	4%
Retention Payable	43,936,332.00	8,945,544.00	34,990,788.00	391%	5%	2%

Income tax payable	49.00	1,808.00	(1,759.00)	(97%)	0%	0%
Deposit for future share subscription			-		0%	0%
Advances to Shareholders	165,624,718.00	218,218,718.00	(52,594,000.00)	(24%)	21%	58%
	240,521,802.00	241,860,790.00	(1,338,988.00)	(1%)	30%	64%
<b>Noncurrent Liability</b>						
Loans Payable	356,640,000.00		356,640,000.00	0%	44%	0%
<b>Total Liabilities</b>	<b>597,161,802.00</b>	<b>241,860,790.00</b>	<b>355,301,012.00</b>	<b>147%</b>	<b>74%</b>	<b>64%</b>
<b>Equity</b>						
Share Capital	185,594,626.00	161,878,533.00	23,716,093.00	14%	23%	43%
Additional Paid in Capital	78,760,240.00		78,760,240.00	0%	9%	0%
Deficit	(58,891,280.00)	(26,499,633.00)	(32,391,647.00)	122%	(7%)	(7%)
	205,463,586.00	135,378,900.00	70,084,686.00	52%	26%	36%
<b>Total Liabilities and Equity</b>	<b>802,625,388.00</b>	<b>377,239,690.00</b>	<b>425,385,698.00</b>	<b>113%</b>	<b>100%</b>	<b>100%</b>

### **Total Assets**

Total assets increased from P377.2 million to 802.6 million, a 113% increase from December 31, 2021 to December 31, 2022. The increase was primarily due to the increase in property, plant, and equipment.

### **Cash and cash equivalents**

Cash and cash equivalents increased by P67.6 million (303%), as a result of the first tranche of loan granted by the Development Bank of the Philippines (DBP).



*Advances to a related party*

The advances to a related party increased by P457,200.00 (277%) from P164,867.00 in December 31, 2021 to P622,067.00 in December 31, 2022. This represents the payable of Asia-Pacific Medical Center Iloilo to Asia-Pacific Medical Center Bacolod for the salary of the past Construction Manager.

*Advances to Contractors*

The advances to contractors decreased by P23.1 million or 41% from December 31, 2021 to December 31, 2022. The amount in 2022 is the remaining recoupment from the down payment of the contractors.

*Input VAT*

The input VAT increased by P11.4 million (83%) from P13.7 million on December 31, 2021 to P25.2 million on December 31, 2022. This is the result of the increase in construction expenses.

*Other current assets*

An increase in the other current assets by 224% from the period December 31, 2021 to the current period of December 31, 2022.

*Property, Plant, and Equipment*

The property, plant, and equipment account increased by 129% from P284.6 million in December 31, 2021 to P652.8 million in December 31, 2022 because there were more construction expenses during the year.

**Total Liabilities**

The total liabilities increased by 147% for the period December 31, 2022 due to the availability of loan, increase in the trade and other payables and the retention payable.

*Trade and other payables*

Trade and other payables increased by 111% or P16.2 million from December 31, 2021 to December 31, 2022. The increase was a result of the compensation and per diems of the directors.

*Retention Payable*

Retention payable increased to P43.9 million from P8.9 million on December 31, 2021. This was due to the increase in construction expenses in 2022.

*Income Tax Payable*

In 2022, the company has unpaid income tax.

### *Advances to Shareholders*

A decrease in the advances to shareholders by P52.5 million or 24% from December 31, 2021 to December 31, 2022 was recorded since the company started to pay off the founding doctors for the amounts they were owed.

### *Loans Payable*

In 2022, the first tranche of the loan was released to APMC Bacolod in the amount of P365.6 million.

### **Equity**

There is an increase in the total equity of the company from December 31, 2021 to December 31, 2022. The increase amounted to P23.7 million or 14% of the previous year.

There is an increase of P23.7 million or 14% of the previous year in the share capital from P161.8 million on December 31, 2021 to P185.5 million on December 31, 2022. The company has started to sell its Initial Public Offering (IPO) last March 28, 2022.

### Results of Operations (June 30, 2022 vs. June 30, 2021)

For the year ended			Horizontal Analysis		Vertical Analysis	
	June 30, 2022	June 30, 2021	Inc (Dec)	%	2021	2020
Revenues	P-	P-	-	-	n/a	n/a
Direct costs	-	-	-	-	n/a	n/a
Gross profit	-	-	-	-	n/a	n/a
Other income	14,037	573,165	(559,128)	(95%)	n/a	n/a
Gross income	14,037	573,165	(559,128)	(95%)	n/a	n/a
General and administrative expense	(16,640,279)	(1,647,758)	(14,992,521)	(82%)	n/a	n/a
Loss from operations	(16,626,242)	(1,074,593)	(15,551,649)	(13%)	n/a	n/a
Income tax expense	-	-	1,808	n/a	n/a	n/a

Net loss for the year	(16,626,242)	(1,074,593)	(15,553,457)	(88%)	n/a	n/a
Add (deduct) comp income (loss)	-	-	-	-	n/a	n/a
Net comprehensive loss for the year	(16,626,242)	(1,074,593)	(15,553,457)	(88%)	n/a	n/a

#### *Other Income*

Other income during the period June 30, 2022 is lower than June 30, 2021 by 95%. The decrease is due to the termination of time deposits and decrease in the bank interest rates.

#### *General and Administrative Expenses*

General and administrative expenses during June 30, 2022 is higher than on June 30, 2021 by 82%. Operating expenses increased mainly due to the construction expenses, professional fees, and communication light and water.

#### *Loss for the Period*

Loss for the period June 30, 2022 is higher than in the same period on June 30, 2021 by 88%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

#### Financial Condition (June 30, 2022 and December 31, 2021)

	As at June 30, 2022	As at December 31, 2021	Horizontal Analysis		Vertical Analysis	
			Inc (Dec)	%	2022	2021
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	353,833,569	22,326,536	331,507,033	88%	45%	6%
Advances to a related party	587,067	164,867	422,200	256%	0%	0%

Advances to contractors	54,679,362	55,941,787	(1,262,425)	-2%	7%	15%
Other current assets	18,663,795	14,115,156	4,548,639	14%	2%	4%
	427,763,793	92,548,346	335,215,447	64%	54%	25%
<b>Noncurrent Assets</b>						
Property and equipment (net)	358,767,934	284,645,878	74,122,056	12%	46%	75%
Security deposit	45,466	45,466			0%	0%
	358,813,400	284,691,344	74,122,056	12%	46%	75%
<b>TOTAL ASSETS</b>	<b>786,577,193</b>	<b>377,239,690</b>	<b>409,337,503</b>	<b>35%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	56,822,554	23,640,264	33,182,290	41%	7%	6%
Income tax payable		1,808	-1,808	-100%	0%	0%
Advances from shareholders	218,218,718	218,218,718	0	0%	28%	58%
	275,041,272	241,860,790	33,180,482	41%	35%	64%
<b>Noncurrent Liability</b>						
Loans Payable	356,640,000		356,640,000	100%	45%	0%
<b>TOTAL LIABILITIES</b>	<b>631,681,272</b>	<b>241,860,790</b>	<b>389,820,482</b>	<b>45%</b>	<b>80%</b>	<b>64%</b>
<b>Equity</b>						

Share capital	184,821,796	161,878,533	22,943,263	7%	23%	43%
Additional Paid-in Capital	13,200,000		13,200,000	100%	2%	0%
Deficit	(43,125,875)	-26,499,633	-16,626,242	24%	-5%	-7%
	154,895,921	135,378,900	19,517,021	7%	20%	36%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>786,577,193</b>	<b>377,239,690</b>	<b>409,337,503</b>	<b>35%</b>	<b>100%</b>	<b>100%</b>

### **Total Assets**

Total assets increased from P377.2 million to P786.5 million, a 35% increase from December 31, 2021 to June 30, 2022. The increase was primarily due to increase in property and equipment.

#### *Cash and cash equivalents*

Cash and cash equivalents increased by P331.5 million (88%), as a result of payment of expenses for the on-going construction of hospital building and the first drawdown of the bank loan.

#### *Advances to a related party*

Advances to a related party increased by P0.4 million (256%), as a result of additional advances to a related party.

#### *Advances to contractors*

The advances to a related party amounting to P0.6 million and P0.2 million as of June 30, 2022 and December 31, 2021, respectively, consists mainly of advances to contractors.

Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a prorated basis from the contractor's periodic progress billings.

#### *Other current assets*

Other current assets increased by P4.5 million (14%), due to the input VAT related to the construction of the hospital building.

#### *Property and equipment*

Property and equipment amounted to P358.7 million as of June 30, 2022, which consists mainly of the land and construction in progress of the hospital building.

### **Total Liabilities**

Total liabilities increased by P389.8 million from December 31, 2021 to June 30, 2022. The

increase was primarily due to the additional advances from shareholders and bank loan.

*Trade and other payables*

The increase in trade and other payables by P33.1 million was due to the increase of accounts payables.

*Income tax payable*

In 2021, the Company has unpaid income tax.

*Advances from shareholders*

The Company received advances from shareholders for the construction of the hospital building.

**Equity**

The 7% increase in the total equity is due to the subscription of share capital from the increase in authorized capital stock approved by the SEC on September 21, 2021. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (March 31, 2022 vs. March 31, 2021)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	March 31, 2022	March 31, 2021	Inc (Dec)	%	202 1	202 0
Revenues			-	-	n/a	n/a
Direct costs	P-	P-	-	-	n/a	n/a
Gross profit	-	-	-	-	n/a	n/a
Other income	3,175	258,068	(251,718)	(98%)	n/a	n/a
Gross income	3,175	258,068	(251,718)	(98%)	n/a	n/a
General and administrative expenses	(1,687,781)	(1,632,887)	54,894	(3%)	n/a	n/a
Loss from operations	(1,684,606)	(1,374,819)	309,787	(23%)	n/a	n/a
Income tax expense	-	-	-	n/a	n/a	n/a
Net loss for the year	(1,684,606)	(1,374,819)	309,787	(23%)	n/a	n/a

Add (deduct) comp income (loss)	-	-	-	-	n/a	n/a
Net comprehensive loss for the year	(1,684,606)	(P1,374,819)	(309,787)	(23%)	n/a	n/a

#### *Other Income*

Other income during the period March 31, 2022 is lower than March 31, 2021 by 98%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates.

#### *General and Administrative Expenses*

General and administrative expenses during March 31, 2022 is higher than on March 31, 2021 by 3%. Operating expenses increased mainly due to the professional fees and communication light and water.

#### *Loss for the Period*

Loss for the period March 31, 2022 is higher than in the same period on March 31, 2021 by 23%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

#### Financial Condition (March 31, 2022 and December 31, 2021)

	As at March	As at	Horizontal Analysis		Vertical Analysis	
	31, 2022	December 31, 2021	Inc (Dec)	%	2022	2021
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P14,369,459	P22,326,536	(7,957,077)	(36%)	4%	6%
Receivables	55,184,179	56,106,654	(922,475)	2%	14%	15%
Other current assets	15,226,735	14,115,156	1,111,579	8%	4%	4%
	84,780,373	92,548,346	(7,767,973)	(8%)	22%	25%
<b>Noncurrent Assets</b>						

Property and equipment (net)	300,238,936	284,645,878	15,593,058	5%	78%	75%
Security deposit	45,466	45,466	-	n/a	-	-
	300,284,402	284,691,344	15,593,058	5%	78%	75%
<b>TOTAL ASSETS</b>	<b>P385,064,775</b>	<b>P377,239,690</b>	<b>7,825,085</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P11,321,316	P23,640,264	(12,318,948)	(52%)	3%	6%
Income tax payable	1,808	1,808	-	n/a	-	-
	11,323,124	23,642,072	(12,318,948)	(52%)	3%	6%
<b>Noncurrent Liability</b>						
Advances from shareholders	218,218,718	218,218,718	-	n/a	57%	58%
<b>TOTAL LIABILITIES</b>	<b>229,541,842</b>	<b>241,860,790</b>	<b>(12,318,948)</b>	<b>5%</b>	<b>60%</b>	<b>64%</b>
<b>Equity</b>						
Share capital	183,707,172	161,878,533	21,828,639	13%	47%	43%
Deficit	(28,184,239)	(26,499,633)	(1,684,606)	(6%)	(7%)	(7%)
	155,522,933	135,378,900	20,144,033	15%	40%	36%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P385,064,775</b>	<b>P377,239,690</b>	<b>7,825,085</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>

**Total Assets**

Total assets increased from P377.2 million to P385.1 million, a 2% increase from December 31, 2021 to March 31, 2022. The increase was primarily due to increase in property and equipment.

*Cash and cash equivalents*



Cash and cash equivalents decreased by P8.0 million (36%), as a result of payment of expenses for the on-going construction of hospital building.

*Receivables*

The receivables amounting to P55.2 million P56.1 million as of March 31, 2022 and December 31, 2021, respectively, consists mainly of advances to contractors.

*Other current assets*

Other current assets increased by P1.1 million (8%), due to the input VAT related to the construction of the hospital building.

*Property and equipment*

Property and equipment amounted to P300.2 million as of March 31, 2022, which consists mainly of the land and construction in progress of the hospital building.

**Total Liabilities**

Total liabilities increased by P12.3 million from December 31, 2021 to March 31, 2022. The increase was primarily due to the additional advances from shareholders.

*Trade and other payables*

The decrease in trade and other payables by P12.3 million was due to payment of accounts payables.

*Income tax payable*

In 2021, the Company has unpaid income tax.

*Advances from shareholders*

The Company received advances from shareholders for the construction of the hospital building.

**Equity**

The 29% increase in the total equity is due to the subscription of share capital from the increase in authorized capital stock approved by the SEC on September 21, 2021. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (December 31, 2021 vs. December 31, 2020)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	December 31, 2021	December 31, 2020	Inc (Dec)	%	2021	2020
Revenues	P-	P-	-	-	n/a	n/a
Direct costs	-	-	-	-	n/a	n/a

Gross profit	-	-	-	(80%)	n/a	n/a
Other income	514,903	2,635,791	(2,120,888)	(80%)	n/a	n/a
Gross income	514,903	2,635,791	(2,120,888)	(80%)	n/a	n/a
General and administrative expenses	(7,326,232)	(12,857,286)	(5,531,054)	(43%)	n/a	n/a
Loss from operations	(6,811,329)	(10,221,495)	3,410,166	(33%)	n/a	n/a
Income tax expense	(1,808)	-	1,808	n/a	n/a	n/a
Net loss for the year	(6,813,137)	(10,221,495)	3,408,358	(33%)	n/a	n/a
Add (deduct) comp income (loss)	-	-	-	-	n/a	n/a
Net comprehensive loss for the year	(P6,813,137)	(P10,221,495)	3,408,358	(33%)	n/a	n/a

#### *Other Income*

Other income during the period December 31, 2021 is lower than December 31, 2020 by 80%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates in 2021.

#### *General and Administrative Expenses*

General and administrative expenses during December 31, 2021 are lower than December 31, 2020 by 43%. This is due to capital gains tax and increase in meetings and conferences.

#### *Loss for the Period*

Loss for the period December 31, 2021 is lower than in the same period on December 31, 2020 by 33%. This is due to the non-operational status of the Company. There is still no income to sustain the expenses.

#### Financial Condition (December 31, 2021 and December 31, 2020)

As at December 31,	As at December 31,	Horizontal Analysis	Vertical Analysis
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	2021	2020	Inc (Dec)	%	2021	2020
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P22,326,536	P93,666,173	(71,339,637)	(76%)	6%	35%
Advances to a related party	164,867	35,000	129,867	371%	0%	0%
Advances to contractors	55,941,787	40,478,422	15,463,365	38%	15%	15%
Other current assets	14,115,156	8,333,448	5,781,708	69%	4%	3%
	92,548,346	142,513,043	(49,964,697)	(35%)	25%	52%
<b>Noncurrent Assets</b>						
Property and equipment (net)	284,645,878	128,927,826	155,718,052	121%	75%	48%
Security deposit	45,466	45,000	466	1%	-	-
	284,691,344	128,972,826	155,718,518	121%	75%	48%
<b>TOTAL ASSETS</b>	<b>P377,239,690</b>	<b>P271,485,869</b>	<b>105,753,821</b>	<b>39%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P23,640,264	P17,926,211	5,714,053	32%	6%	7%
Income tax payable	1,808	-	1,808	n/a	-	-
Deposit for future share subscription	-	27,000,000	(27,000,000)	(100%)	-	10%
Advances from shareholders	218,218,718	150,246,154	67,972,564	45%	58%	55%
<b>TOTAL LIABILITIES</b>	<b>241,860,790</b>	<b>195,172,365</b>	<b>46,688,425</b>	<b>24%</b>	<b>64%</b>	<b>72%</b>
<b>Equity</b>						
Share capital	161,878,533	96,000,000	65,878,533	69%	43%	35%
Deficit	(26,499,633)	(19,686,496)	6,813,137	35%	(7%)	(7%)
	135,378,900	76,313,504	59,065,396	77%	36%	28%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P377,239,690</b>	<b>P271,485,869</b>	<b>105,753,821</b>	<b>39%</b>	<b>100%</b>	<b>100%</b>

***Total Assets***

Total assets increased from P271.5 million to P377.2 million, a 39% increase from December 31, 2020 to December 31, 2021. The increase was primarily due to increase in property and equipment.

*Cash and cash equivalents*

Cash and cash equivalents decreased by P71.3 million (76%), as a result of payment of expenses for the on-going construction of hospital building.

*Advances to a related party*

Advances to a related party increased by P0.1 million (371%), as a result of additional advances to a related party.

*Advances to contractors*

The advances to a related party amounting to P0.6 million and P0.2 million as of June 30, 2022 and December 31, 2021, respectively, consists mainly of advances to contractors.

Advances to contractors represent advances for each awarded project activity and is liquidated via deduction, on a prorated basis from the contractor's periodic progress billings.

*Other current assets*

Other current assets increased by P5.8 million (69%), due to the input VAT related to the construction of the hospital building.

*Property and equipment*

Property and equipment amounted to P284.6 million as of December 31, 2021, which consists mainly of the land and construction in progress of the hospital building.

***Total Liabilities***

Total liabilities increased by P46.7 million from December 31, 2020 to December 31, 2021. The increase was primarily due to the additional advances from shareholders.

*Trade and other payables*

The increase in trade and other payables by P5.7 million was due to recognition of accounts and retention payables in connection with the construction of the hospital building.

*Deposit for future share subscription*

In 2020, the Company received cash for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

*Income tax payable*

In 2021, the Company has unpaid income tax.

*Advances from shareholders*

Advances from shareholders increased by P68.0 million (45%) from December 31, 2020 to December 31, 2021. The Company received additional advances from shareholders.

### **Equity**

The 29% increase in the total equity is due to the subscription of share capital from the increase in authorized capital stock approved by the SEC on September 21, 2021. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

### **Results of Operations (December 31, 2020 vs. December 31, 2019)**

	For the year ended		Horizontal Analysis		Vertical Analysis	
	December 31, 2020	December 31, 2019	Inc (Dec)	%	2020	2019
Revenues	P-	P-	-	-	n/a	n/a
Direct costs	-	-	-	-	n/a	n/a
Gross profit	-	-	-	-	n/a	n/a
Other income	2,635,791	5,806,468	(3,170,677)	(55%)	n/a	n/a
Gross income	2,635,791	5,806,468	(3,170,677)	(55%)	n/a	n/a
General and administrative expenses	(12,857,286)	(7,413,785)	5,443,501	73%	n/a	n/a
Loss from operations	(10,221,495)	(1,607,317)	8,614,178	536%	n/a	n/a
Income tax expense	-	-	-	-	n/a	n/a
Net loss for the year	(10,221,495)	(1,607,317)	8,614,178	536%	n/a	n/a
Add (deduct) comp income (loss)	-	-	-	-	n/a	n/a
Net comprehensive loss for the year	(P10,221,495)	(P1,607,317)	8,614,178	536%	n/a	n/a

### **Other Income**

Other income during the period December 31, 2020 is lower than December 31, 2019 at 55%. The decrease is due to the termination of some time deposits and decrease in the bank interest rates in 2021.

### **General and Administrative Expenses**

General and administrative expenses during December 31, 2020 are higher than December 31, 2019 by 73%. This is due to capital gains tax and increase in meetings and conferences.

### **Loss for the Period**

Loss for the period December 31, 2020 is higher than in the same period December 31, 2019 by 536%. This due to the non-operational status of the Company. There is still no income to sustain the expenses.

Financial Condition (December 31, 2020 and December 31, 2019)

	As at	As at	Horizontal Analysis		Vertical Analysis	
	December 30,	December 31,	Inc (Dec)	%	2020	2019
	2020	2019				
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P93,666,173	P177,128,990	(83,462,817 )	(47%)	35%	65%
Receivables	40,513,422	175,000	40,338,422	23,051%	15%	-
Other current assets	8,333,448	15,029,510	(6,696,062)	(45%)	3%	5%
	142,513,043	192,333,500	(49,820,457 )	(26%)	53%	70%
<b>Noncurrent Assets</b>						
Property and equipment (net)	128,927,826	80,543,658	48,384,168	60%	47%	30%
Security deposit	45,000	45,000	-	-	-	-
	128,972,826	80,588,658	48,384,168	60%	47%	30%
<b>TOTAL ASSETS</b>	<b>P271,485,869</b>	<b>P272,922,158</b>	<b>(1,436,289)</b>	<b>(1%)</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P17,926,211	P16,747	17,909,464	106,941 %	7%	-
Deposit for future share subscription	27,000,000	-	27,000,000	n/a	10%	9%
Loans payable	-	24,250,000	(24,250,000 )	n/a		
	44,926,211	24,266,747	20,659,464	85%	17%	9%
Advances from shareholders	150,246,154	162,120,412	(11,874,258 )	(7%)	55%	59%
<b>TOTAL LIABILITIES</b>	<b>195,172,365</b>	<b>186,387,159</b>	<b>8,785,206</b>	<b>5%</b>	<b>72%</b>	<b>68%</b>
<b>Equity</b>						
Share capital	96,000,000	96,000,000	-	-	35%	35%

Deficit	(19,686,496)	(9,465,001)	10,221,495	108%	(7%)	(3%)
	76,313,504	86,534,999	(10,221,495)	(12%)	28%	32%
<b>TOTAL LIABILITIES AND EQUITY</b>	P271,485,869	P272,922,158	1,436,289	(1%)	100%	100%

#### **Total Assets**

Total assets decreased from P272.9 million to P271.5 million, 1% decrease from December 31, 2019 to December 30, 2020. The decrease was primarily due to increase in expenses.

#### *Cash and cash equivalents*

Cash and cash equivalents decreased by P83.5 million (47%), as a result of payment of expenses and on-going construction of hospital building.

#### *Receivables*

The receivables amounting to P40.5 million as of December 30, 2020 consists mainly of advances to contractors.

#### *Other current assets*

Other current assets decreased by P6.7 million (45%), as a result of transfer of prepayments for the construction of hospital building to property and equipment account.

#### *Property and equipment*

Property and equipment amounted to P128.9 million as of December 31, 2020, which consists mainly of the land and construction in progress of the hospital building.

#### **Total Liabilities**

Total liabilities increased by P8.8 million from December 31, 2019 to December 31, 2020. The increase was primarily due to accounts and retention payable and cash received for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

#### *Trade and other payables*

The increase in trade and other payables by P17.9 million was due to recognition of accounts and retention payables in connection with the construction of the hospital building.

#### *Deposit for future share subscription*

In 2020, the Company received cash for the additional subscription of capital stock pending application and approval from SEC for the increase in authorized capital stock as of December 31, 2020.

#### *Loans payable*

In 2020, the Company paid the loans payable.

*Advances from shareholders*

Advances from shareholders decreased by P11.9 million (7%) from December 31, 2019 to December 31, 2020. The Company paid some advances from the shareholders.

**Equity**

The 12% decrease in the total equity is due to the results of operations in 2020. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

Results of Operations (December 31, 2019 vs. December 31, 2018)

	For the year ended		Horizontal Analysis		Vertical Analysis	
	December 30, 2019	December 30, 2018	Inc (Dec)	%	2019	2018
Revenues	P -	P -	-	-	n/a	n/a
Direct costs	-	-	-	-	n/a	n/a
Gross profit	-	-	-	-	n/a	n/a
Other income	5,806,468	1,700,472	4,105,996	241%	n/a	n/a
Gross income	5,806,468	1,700,472	4,105,996	241%	n/a	n/a
General and administrative expenses	(7,413,785)	(7,027,189)	386,596	6%	n/a	n/a
Loss from operations	(1,607,317)	(5,326,717)	(3,719,400)	70%	n/a	n/a
Income tax expense	-	-	-	-	n/a	n/a
Net loss for the year	(1,607,317)	(5,326,717)	(3,719,400)	70%	n/a	n/a
Add (deduct) comp income (loss)	-	-	-	-	n/a	n/a
Net comprehensive loss for the year	(P1,607,317)	(P5,326,717)	(3,719,400)	70%	n/a	n/a

*Other Income*

Other income in 2019 is higher than in 2018 at 241%. The increase was due to interest income time deposit account.

*General and Administrative Expenses*

General and administrative expenses in 2019 are slightly higher in 2018 by 6%.

*Loss for the Period*



Loss for the period December 31, 2019 is lower than in the same period December 31, 2018 by 70%. This due to the non-operational status of the Company. There is still no income to sustain the expenses.

Financial Condition (December 31, 2019 and December 31, 2018)

	As at	As at	Horizontal Analysis		Vertical Analysis	
	December 30, 2019	December 31, 2018	Inc (Dec)	%	2019	2018
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P177,128,990	P125,227,896	51,901,094	41%	65%	54%
Receivables	175,000	20,000,000	(19,825,000	(99%)	-	9%
Other current assets	15,029,510	5,716,656	)	163%	5%	2%
			9,312,854			
	192,333,500	150,944,552	41,388,948	27%	70%	65%
<b>Noncurrent Assets</b>						
Property and equipment (net)	80,543,658	80,554,094	(10,436)	(0.01%)	30%	35%
Security deposit	45,000	45,000	-	-	-	-
	80,588,658	80,599,094	(10,436)	(0.01%)	30%	35%
<b>TOTAL ASSETS</b>	<b>P272,922,158</b>	<b>P231,543,646</b>	<b>41,378,512</b>	<b>18%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P16,747	P971,781	(955,034)	(98%)	-	-
Loans payable	24,250,000	24,250,000	-	n/a	9%	11%
	24,266,747	25,221,781	(955,034)	(4%)	9%	11%
Advances from shareholders	162,120,412	118,179,549	43,940,863	37%	59%	51%
<b>TOTAL LIABILITIES</b>	<b>186,387,159</b>	<b>143,401,330</b>	<b>42,985,829</b>	<b>30%</b>	<b>68%</b>	<b>62%</b>
<b>Equity</b>						
Share capital	96,000,000	96,000,000	-	-	35%	41%
Deficit	(9,465,001)	(7,857,684)	(1,607,317)	(20%)	(3%)	(3%)
	86,534,999	88,142,316	(1,607,317)	(2%)	32%	38%
<b>TOTAL LIABILITIES</b>	<b>P272,922,158</b>	<b>P231,543,646</b>	<b>41,378,512</b>	<b>18%</b>	<b>100%</b>	<b>100%</b>

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**AND EQUITY**

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**Total Assets**

Total assets increased from P231.5 million to P272.9 million, 18% increase from December 31, 2018 to December 30, 2019. The increase was primarily due to funds received from stockholders.

*Cash and cash equivalents*

Cash and cash equivalents increased by P51.9 million (41%), as a result of funds from stockholders.

*Receivables*

Decreased in receivables was due to collection of advances to related parties.

*Other current assets*

Other current assets increased by P9.3 million (163%), as a result of prepayments for the construction of hospital building to property and equipment account.

*Property and equipment*

Property and equipment amounted to P128.9 million as of December 31, 2020, which consists mainly of the land and construction in progress of the hospital building.

**Total Liabilities**

Total liabilities increased by P43.0 million from December 31, 2018 to December 31, 2019. The increase was primarily due to advances received from stockholders.

*Trade and other payables*

The decrease in trade and other payables by P1.0 million was due to payment of interest and other payables

*Advances from shareholders*

Advances from shareholders increased by P43.9 million (37%) from December 31, 2018 to December 31, 2019. The Company received advances from the shareholders to fund the construction of the hospital building.

**Equity**

The 2% decrease in the total equity is due to the results of operations in 2019. The Company is still non-operational and most of the expenses incurred are in line with planning and construction.

**Key Performance Indicators***Current/Liquidity Ratios*

To meet the Company's short-term obligations and funding for the construction of its building, the Company will call for payment of the subscription receivable from the stockholders. Also, the Company secured from the Development Bank of the Philippines a credit line facility on August 11, 2021 as one of its sources in funding the construction of the hospital building. The Company's current ratios were 7.49 and 3.91 as at March 31, 2022 and December 31, 2021, respectively. Meanwhile, the Company's quick ratios were 7.46 and 3.90 as at March 31, 2022 and December 31, 2021, respectively.

The Company's liquid assets consist of cash and receivables.

***Liquidity Ratios***

	<b>2022</b>	<b>2021</b>
Quick Asset Ratio	0.38: 1	0.09 : 1

The company has a low quick asset ratio for the years 2022 and 2021 which shows that it could not pay off its short-term obligations with its most liquid assets. This is because most of its cash is allocated to the expenses of the construction.

	<b>2022</b>	<b>2021</b>
Current Asset Ratio	0.62 : 1	0.38 : 1

The current assets of the company are being utilized for the construction of the hospital which results to a low current asset ratio for 2022 and for 2021, respectively. It is expected to increase as soon as the hospital starts its operations in 2025.

***Solvency Ratios***

	<b>2022</b>	<b>2021</b>
Debt to Equity Ratio	1.74 : 1	0 : 1

The debt-to-equity ratio for 2022 shows that the company uses its loan to finance the pre-operating expenses more than its equity. Moreover, the company has started to sell its shares to the public in 2022. The company is positive that the next year's debt-to-equity ratio will improve because more shares will be sold during that time.

***Profitability Ratios***

	<b>2022</b>	<b>2021</b>
Net Profit Margin	N/A	0 : 1

The hospital is not yet operational. Data is not yet available.

	<b>2022</b>	<b>2021</b>
Return on Equity	N/A	0 : 1

The hospital is not yet operational. Data is not yet available.

***Leverage Ratios***

	<b>2022</b>	<b>2021</b>
Debt to Total Asset Ratio	0.44 : 1	0 : 1

Since the construction of the hospital is ongoing, the construction in progress account of the company increases as well. In addition, this is where most of the company's resources go. The ratio in 2022 conveys that the company has more assets than its debt.

	<b>2022</b>	<b>2021</b>
Asset to Equity Ratio	3.91 : 1	2.79 : 1

The company has more assets than its equity for both years due to the ongoing construction of the hospital. The company is also selling its IPO shares which could mean an improvement for these ratios in the next financial statements.

	<b>2022</b>	<b>2021</b>
Interest Rate Coverage Ratio	N/A	N/A

The hospital is not yet operational. Data is not yet available.

### **Discussion and Analysis of Material Events and Uncertainties**

1. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity. The Company has not yet started its operation. The Company's pre-operating and investing activities were financed through loans and capital infusion from shareholders. Management believes that the completion and fully operational of its hospital building will provide the Company a steady source of income and cash flow in the foreseeable future.
2. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
3. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
4. There are no known trends, events or uncertainties that have had, or that are reasonably expected to cause a material favorable or unfavorable impact on income from continuing pre-operations.
5. There were material commitments for capital expenditures during the quarter as disclosed in Note 7 of the financial statements.
6. There were no significant elements of income or loss that did not arise from the Company's continuing pre-operations.
7. There were no seasonal aspects that had any material effect on the financial condition or results of operations of the Company.

### **SEASONAL ASPECTS THAT HAS MATERIAL EFFECT ON THE FINANCIAL STATEMENTS**

The Company has been exposed to the risks brought about by COVID-19, a novel strain of coronavirus, which has rapidly spread worldwide and reached a pandemic magnitude as it continues to affect more and more countries and territories.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID-19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 15, 2020. Bacolod City is under various quarantine classifications up to present. As of today, lifting of quarantine classifications is still uncertain.

The enhanced community quarantine, travel restrictions, temporary closure of different establishments, and social distancing measures imposed by the government exposed the Company's operations to risks that may impact its financial performance.

The construction of the Company's hospital building will start in February 2020. However, due to COVID-19 outbreak, delivery of construction supplies was postponed and deployment of engineers and construction workers were postponed resulting in a delay in the construction of the hospital building. Upon the lifting of some quarantine restrictions particularly sea travel, the contractor continues the construction and catches up with the delay.

The events surrounding the outbreak did not have a significant impact on the Company's financial position and performance as at and for the year ended March 30, 2022. Nevertheless, the Company will continue to monitor the situation.

### **Independent Public Accountants**

- a. The auditing firm of Mendoza Querido & Co. (MQC) is being recommended for election as external auditor for the current year upon the recommendation of the Audit Committee, namely, Joseline C. Encarnacion as its Chairman, John Clifton U. Martyr and Jimmy B. Pacete as its members, for a fee of Four Hundred Forty Eight Thousand Pesos (Php 448,000.00) VAT inclusive, and exclusive of out-of-pocket expenses. Its profile is attached to this Information Statement as Annex E1 and the Policy on the Engagement of External Auditors by the Audit Committee as Annex E5.
- b. Mendoza Querido and Co. (MQC) CPAs represented by its engagement partner, Mr. Richard Querido is the external auditor of the company for the most recently completed year 2022. Pursuant to the rule SRC Rule 68 (3) (b) (iv) of the Amended Implementing Rules and Regulations of the Securities and Regulation Code (SRC) (re: rotation of external auditors) the Company has not engaged Mr. Richard Querido for more than 5 years.
- c. Representatives of the said firm are expected to be present at the annual stockholders' meeting and will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. In 2022, the Company's auditors did not perform any substantial non-audit services for the Company.
- d. Changes in and disagreements with accountants on accounting and financial disclosure. There were no disagreements with Mendoza Querido & Co. for the periods 2022 and 2021 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

### **External Audit Fees**

#### Audit and Audit Related Fees

The 2022 Audited Financial Statements of the Company with the External Auditors' PTR, Name of the Certifying partner and Address and Statement of Manager's Responsibility are attached hereto as Annex E2.

#### **THE AGGREGATE FEES BILLED ARE SHOWN BELOW:**

Fees approved in connection with the assurance rendered by Mendoza Querido Co. pursuant to the regulatory and statutory requirements for the years ended, December 31, 2022 amount to Php 524,160.00 inclusive of 12% VAT, December 31, 2021 amount to Php

336,000.00 inclusive of 12% VAT, December 31, 2020 amount to Php 336,000.00 inclusive of 12% VAT, and December 31, 2019 amount to Php 342,900.00 inclusive of 12% VAT and out-of-pocket expenses amount to 6,900.00. These expenses include printing, and travel allowances for auditors.

Year	2022	2021	2020	2019
Audit Fees	524,160.00	336,000.00	336,000.00	336,000.00
Tax Fees				
All other fees				6,900.00

#### **D. MANAGEMENT AND CERTAIN SECURITY HOLDERS**

##### **BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of its operations for its review. Currently, the Board consists of fifteen (15) members, of which three (3) are independent directors.

The table below set forth the members of the Company's Board as of 30 April 2023.

Name	Position	Age	Citizenship	OCCUPATION	BUSINESS
<b>1. Abad, Alben Teodoro T.</b>	<b>Independent Director (Elected on 24 July 2021)</b>	<b>40</b>	<b>Filipino</b>	Radiologist	Teresita L. Jalandoni Provincial Hospital
<b>2. Balinas, Rhona T.</b>	<b>Director / Asst. Corp. Treasurer</b>	<b>64</b>	<b>Filipino</b>	Anesthesiologist	Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc.; Metro Bacolod Hospital and Medical Center; South Bacolod

					General Hospital
<b>3. Biron, Ferjanel G.</b>	<b>Director / Chairman / CEO</b>	<b>58</b>	<b>Filipino</b>	Businessman/ Congressman/ General Medicine	Aesthetical Manila, Inc.; Smartlab Diagnostics and Dialysis Center- Inc.; Botikang Pinoy, Inc.; Super BP Mart Corporation; Fourth (4th) District Representative of Iloilo
<b>4. Encarnacion, Joseline C.</b>	<b>Independent Director (Elected on 24 July 2021)</b>	<b>65</b>	<b>Filipino</b>	Internist	Medilink, Inc. (Clinic); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc.
<b>5. Espinosa, Wendell Z.</b>	<b>Director</b>	<b>46</b>	<b>Filipino</b>	Gastroenterolog ist	Teresita L. Jalandoni Provincial Hospital; The Doctors' Hospital, Inc.; Riverside Medical Center, Inc.; Adventist Medical Center – Bacolod; Queen of Mercy Hospital Bacolod; Metro Bacolod Hospital Medical Center
<b>6. Gebusion, Anthony C.</b>	<b>Director</b>	<b>57</b>	<b>Filipino</b>	Cardiologist	The Doctors' Hospital Inc.; Riverside Medical Center Inc.; Queen of Mercy Hospital; South Bacolod General Hospital





# ASIA - PACIFIC MEDICAL CENTER

BACOLOD, INC.

Formerly Allied Care Experts Medical Center-Bacolod Inc.

<p><b>7. Lavilla, Meride D.</b></p>	<p><b>Director</b></p>	<p><b>60</b></p>	<p><b>Filipino</b></p>	<p>Pediatrician</p>	<p>Eros Building, General Luna St., Iloilo City (Clinic); St. Paul's Hospital Iloilo City; Mission Hospital Iloilo City; West Visayas State University Medical Center Iloilo City; Medicus Medical Center Iloilo City; Qualimed Medical Center Iloilo City</p>
<p><b>8. Magallanes, Bel Manuel G.</b></p>	<p><b>Director / Vice Chairman</b></p>	<p><b>53</b></p>	<p><b>Filipino</b></p>	<p>HENT Specialist</p>	<p>Medical Plaza Bacolod (Clinic); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; The Doctors' Hospital, Inc.; Metro Bacolod Hospital Medical and Center</p>
<p><b>9. Magbanua, Ma. Leila M.</b></p>	<p><b>Director / Corporate Treasurer</b></p>	<p><b>60</b></p>	<p><b>Filipino</b></p>	<p>IM Nephrologist</p>	<p>Riverside Medical Center, Inc. (MAB); Queen of Mercy Hospital Bacolod; The Doctors' Hospital, Inc.</p>
<p><b>10. Malata, Ma. Ivy V.</b></p>	<p><b>Director / Corporate Secretary</b></p>	<p><b>58</b></p>	<p><b>Filipino</b></p>	<p>Pediatrician</p>	<p>The Doctors' Hospital, Inc. (Clinic Central); Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod</p>

<b>11. Martyr, John Clifton U.</b>	<b>Independent Director (Elected on 22 August 2020)</b>	<b>55</b>	<b>Filipino</b>	IM Pulmologist	The Doctors' Hospital, Inc.; Medilink, Inc.
<b>12. Pabicon, Olga H.</b>	<b>Director</b>	<b>59</b>	<b>Filipino</b>	IM Rheumatologist	Riverside Medical Center, Inc.
<b>13. Pacete, Jimmy B.</b>	<b>Director</b>	<b>62</b>	<b>Filipino</b>	Surgeon	The Doctors' Hospital, Inc.; Riverside Medical Center, Inc.; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod; Northway Building Bacolod (Clinic)
<b>14. Regozo, Danilo C.</b>	<b>Director / Executive Vice President</b>	<b>60</b>	<b>Filipino</b>	Family Medicine	Farmacia Neo, Tanza, Iloilo City (Clinic); Iloilo Doctors' Hospital; Iloilo Mission Hospital; St. Therese- MTC Colleges Hospital; The Medical City Iloilo; Medicus Medical Center Iloilo
<b>15. Tad-y, May Claire R.</b>	<b>Director / Asst. Corporate Secretary</b>	<b>61</b>	<b>Filipino</b>	OB-Gynecologist	The Doctors' Hospital, Inc. (Clinic Central); South Bacolod General Hospital; Queen of Mercy Hospital Bacolod; Adventist Medical Center Bacolod

All the above were elected as Board of Directors and Officers of the Corporation for the year 2022 until their successors are elected during the Annual Stockholders' Meeting of Asia-Pacific Medical Center Bacolod, Inc. (Formerly Allied Care Experts Medical Center - Bacolod Inc.) held on 14 August 2022. During the Special Board Meeting on the same day, Dr.

Ma. Leila M. Magbanua was elected as the President of the Corporation, Dr. Olga H. Pabicon as the Corporate Treasurer, Dr. May Claire R. Tad-y as the Assistant Corporate Secretary and Dr. Rhona T. Balinas as the Assistant Corporate Treasurer.

Other than the aforementioned Directors and Officers, the following persons occupy Key Management positions:

The table below sets forth the company's executive officers in addition to its executive directors listed above as of 30 April 2023.

Name	Position	Age	Citizenship	OCCUPATION	BUSINESS
1. <b>Maylene B. Villanueva</b>	<b>Compliance Officer</b>	<b>41</b>	<b>Filipino</b>	Managing Partner	Villanueva, Balio and Ariston Law Offices
2. <b>Ariel S. Malata</b>	<b>Data Protection Officer / Investor Relations Officer</b>	<b>49</b>	<b>Filipino</b>	Business Office Manager	Asia-Pacific Medical Center Bacolod, Inc.

The independent directors of the Company as of 30 April 2023 are Dr. Alben Teodoro T. Abad, Dr. Joseline C. Encarnacion and Dr. John Clifton U. Martyr.

The Company has no employee who is not an executive officer but who is expected to make a significant contribution to the business.

#### **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

As of 30 April 2023, to the knowledge and information of the Company, none of the Company's other Directors or Executive Officers have been involved in the following events during the last five (5) years that are material to an evaluation of their ability or integrity to act as such:

1. Bankruptcy petition filed by or against any business of which they are a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.
2. Conviction by final judgment including the nature of offense in a criminal proceeding, domestic or foreign.
3. Order, judgment or decree not reversed or vacated by a domestic or foreign court which limits involvement in any type of business, securities, commodities or banking activities.

4. Being found by a domestic or foreign court in civil action, the SEC or comparable foreign body or domestic or foreign exchange to have violated a securities or commodities law or regulation whose judgment has not been reversed, suspended or vacated.

#### **E. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE**

The Company endeavors to comply with the recommendations set forth in SEC Memorandum Circular No. 24- series of 2019. It is committed to a strong corporate governance with transparency and accountability as its hallmarks.

In April 2022, during its special board meeting after the issuance of the Permit to Offer Securities, the Board of Directors appointed its Compliance Officer as an initial step in ensuring that it will adhere to the highest standards of good governance. The Company submitted its Manual on Corporate Governance on 27 September 2022.

In 2022, the Company established a Self Assessment Survey by the Board of Directors and Board Committees. This evaluation system aims to measure and determine the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance. The Board Performance Assessment which is accomplished by the Board of Directors indicates compliance ratings. It is submitted to the Compliance Officer who evaluates compliance with the Manual on Corporate Governance.

Among the deviations from the recommendation of the SEC in SEC Memorandum No. 24 Series of 2019 is that the Corporate Secretary is a member of the Board and that the number of Independent Directors is less than one third ( $\frac{1}{3}$ ) of the total number of Board of Directors. The Company will undertake various sessions and consultations with its Founders and Compliance Officer to review and deliberate the revisions to its Manual on Corporate Governance to ensure that it is fully compliant with all the recommendations.

To ensure good governance, the Company had its new CEO attend the Professional Directors Program conducted by the Institute of Corporate Directors. With the new CEO properly trained, the Board is scheduled to revisit its vision, strategic objectives, key policies and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance before it commences operation. The Board also makes certain the presence and adequacy of internal control mechanisms for good governance.

The Company is taking further steps to strengthen adherence principles and practices of corporate governance by sending its Directors in various trainings and programs conducted by the Institute of Directors and Center for Global Best Practices.

The following trainings have been attended by its Director and Officers:



<b>2022-2023 BOARD OF DIRECTORS</b>	<b>NAME OF TRAINING</b>	<b>DATE OF TRAINING</b>
1. Dr. Ferjenel G. Biron	1. PWC/Isla Lipana Corporate Governance Training	May 14, 2021
	2. CGBP Masterclass in Complete Staff Work	Sept. 15-17, 20-22, 2021 At 1:30-4:45 PM
	3. Family Business Governance	March 17-18, 2023
2. Dr. Ma. Leila M. Magbanua	1. ICD Masterclass	June 24, 2022 At 10:00-12:00 NN
	2. ICD Professional Directorship Program	Aug. 24-25, Sept.8-9,14-15,21-22,28-2, 2022 At 8:00-12:00 PM
	3. CGBP Financial and Operational Budgeting	Sept. 6-7, 2022 At 1:30-4:45 PM
3. Dr. Bel Manuel G. Magallanes	1. ICD Risk Management in the Age of Covid-19	April 28, 2022 At 8:00-12:00 NN
	2. CGBP Digital Record Governance and Management	July 19-21, 2022 At 1:30-4:45 PM
4. Dr. Danilo C. Regozo	1. PWC /Isla Lipana Corporate Governance Training	May 14, 2021
	2. Risk Management In the Age of COVID 19 conducted by Institute of Corporate Directors	April 28, 2022

	3. CGBP Best Practices in Strategy Execution	October 28, 2021 1:30-4:45 PM
5. Dr. Ma. Ivy V. Malata	1. ICD Corporate Secretary as Corporate Governance Professional	June 16-17, 2022 At 1:00-5:00 PM
	2. ICD Masterclass	June 24, 2022 At 10:00-12:00 NN
6. Dr. Olga H. Pabicon	1. ICD Financial and Operational Budgeting	Sept. 6-7, 2022 At 1:30-4:45 PM
7. Dr. May Claire R. Tad-Y	1. CGBP Roles, Responsibilities and Liabilities of Board of Directors	Nov. 19, 2021 At 2:00-4:00 PM
8. Dr. Rhona T. Balinas	1. ICD Risk Management in The Age of Covid-19	April 28, 2022 At 8:00-12:00 NN
	2. ICD Masterclass	June 24, 2022 At 10:00-12:00 NN
9. Dr. Meride D. Lavilla	1. PWC /Isla Lipana Corporate Governance Training	May 14, 2021
	2. CGBP Best Practices in Corporate Housekeeping	January 12,13 & 28, 2022 1:30-4:45 PM
10. Dr. Jimmy B. Pacete	1. ICD Risk Management in The Age of Covid-19	April 28, 2022 At 8:00-12:00 NN

11. Dr. Alben Teodoro T. Abad	1. CGBP Roles, Responsibilities and Liabilities of Board of Directors	Nov. 19, 2021 At 2:00-4:00 PM
12. Dr. Joseline C. Encarnacion	1. CGBP Roles, Responsibilities and Liabilities of Board of Directors	Nov. 19, 2021 At 2:00-4:00 PM
13. Dr. John Clifton U. Martyr	1. ICD Getting the Right Tool for ESG Compliance and Governance	June 24, 2022 At 4:00-6:00 PM

The 2022 SEC Form 17-A shall be available at the above stated company website. Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of the said 2022 SEC Form 17-A free of charge, except for exhibits attached which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

Asia - Pacific Medical Center Bacolod Inc.  
(Formerly: Allied Care Experts Medical Center Bacolod Inc.)  
Room 4, Ground Floor, MC Metroplex Bldg., BS Aquino Drive, Bacolod City, Negros  
Occidental 6100

Attention: The Corporate Secretary